

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

First Named Applicant: Skuriat  
Serial No.: 09/540,648  
Filed: March 31, 2000  
Title: METHOD AND SYSTEM FOR MEASURING TRADE MANAGEMENT  
PERFORMANCE  
Examiner: GREENE, DANIEL LAWSON  
Art Unit: 3694

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VIA ELECTRONIC FILING

**PRE-APPEAL BRIEF REQUEST FOR REVIEW**

Claims 1-8 and 10-14 currently stand rejected on two separate grounds after a final office action dated May 2, 2007 (the 2007 Office Action). The 2007 Office Action, however, incorporates rejections detailed in an office action dated December 20, 2006 (the 2006 Office Action). Each ground of rejection will be addressed in turn.

Applicants respectfully submit that the Examiner has misunderstood the claims. In the various rejections of the present application, the Examiner has pointed out in the cited references the value of increasing efficiency of the trading process (hence, the Examiner's resort to Six Sigma). The present claims, however, do not concern themselves with increasing efficiency. Rather the claims of the present application relate to generating **a measure of performance** that provides a measure by which the performance of participants to a trade management process can be evaluated. The goal of the recited claims is not to increase efficiency but rather to provide an objective measure of performance of participants in the trade management process. See "objects" on p. 6 of the present application. Thus, for example, a person of ordinary skill in the art would have not been motivated to look to Six Sigma to modify the references cited by the Examiner.

In the 2007 Office Action, the Examiner rejected claims 1-8 and 10-14 for the reasons stated in Section 5 of the 2007 Office action and Section 8 of the 2006 Office Action. The rejections were based on at least five references including U.S. Pat. Nos. 6,029,146 (Hawkins), 5,727,165 (Ordish), 6,119,087 (Ibarra), and several articles pertaining to six sigma.

None of the references cited by the Examiner, either alone or in combination, teach, disclose, suggest, or make obvious generating a **post-trade measure of performance** that is based on times of completion of predetermined **post-trade communications** associated with trade management process, as recited in the claims. Indeed, in the 2006 Office Action, the Rejection acknowledges “...none of the references show the specific limitations set forth in the claims....” Page 8, ¶ 2.

While the Rejection cites several portions of Hawkins to reject the present claims (*see e.g.* p. 4 of the 2006 Office Action), the cited portions are not related and are incompatible. For example, the Examiner cites to col. 2, l. 42 – col. 3, l. 23 of the Background of Hawkins as setting forth “post-trade” communications and cites to col. 4, ll. 33-47 of the Summary of Hawkins as setting forth a time-of-completion value representative of a time of completing at least a selected step in a process for closing a trade. According to Hawkins itself, however, the system described in the Summary and Detailed Description is admittedly incompatible with the system discussed in the Background. *See* col. 2, l. 8 – col. 3, l.17.

The communications discussed in the Abstract, Summary, and Detailed Description of Hawkins are not the **post-trade** communications discussed in the Background. Hawkins discusses a system that receives and sends **buy and sell orders** (i.e., not post-trade communications) between brokers that are stamped with the time received. Col. 10, ll. 58-65. The system discussed in Hawkins does not apparently play any role in the actual closing of the trade beyond possibly transmitting settlement information to clearing agents as part of the message notification 131. The clearing agents must still communicate between themselves to settle the trade.

The Background portion of Hawkins (col. 2, l. 42 – col. 3, l. 23) cited by the Examiner as discussing “post-trade” communications references U.S. Pat. No. 5,497,317 (the ’317 patent). The ’317 patent, however, is incorporated by reference **into the present application** as the method of exchanging the post-trade communications that are used to generate the measure of performance recited by the independent claims. According to the specification of Hawkins itself, however, the post-trade communications discussed in the ’317 patent (and therefore the present application) are not compatible with the system discussed in Hawkins (i.e., the SWIFT system). *See* col. 3, ll.13-17 (The ’317 patent “system is not compatible with standard message formats in the SWIFT financial network.”). Thus, the system discussed in Hawkins cannot be used with the

system discussed in the '317 patent or with the post-trade communication system of the present application. Indeed, an entire section of Hawkins is dedicated to teaching away from the very material that is incorporated by reference into the present application. *See* col. 2, l. 8 – col. 3, l.17.

Ordish relates to a matching system for **effectuating trades** of trading instruments and does not discuss **post-trade** communications. Col. 1, ll. 25-32. Bids for securities are automatically matched against offers to automatically provide a matching transaction in order to provide a confirmed trade message. *Id.*, ll. 8-29. The communications monitored by Ordish are related to communications that are used to confirm a trade (i.e., not post-trade communications). Thus, even if a person of ordinary skill would have combined Ordish with Hawkins, the person of ordinary skill would have still not ended up at the recited claims because Ordish does not discuss working with **post-trade** communications. Rather, as described above, Ordish is directed at **effectuating and confirming** trades and does not teach that efficiency in the closing process is important.

Ibarra discusses a method and apparatus used to enable a supervisor to quantify job performance characteristics. Indeed, Ibarra does not even discuss the trading of securities, let alone **post-trade** communications and/or events. Thus, Ibarra does not make up for the deficiencies noted above with respect to Hawkins and Ordish (nor does the Examiner assert that it does).

The Examiner states “Ibarra **can be considered as** disclosing applicant’s claimed inventive concept, i.e., to measure the time elapsed between receiving a first message ... and getting a response....” 2006 Office Action, p. 7 (emphasis added). However, no supporting citation to the text of Ibarra is provided and furthermore Ibarra does not discuss using elapsed time as the quantified characteristic. Thus, the rejection does not provide any “articulated reasoning with some rational underpinning [that is required] to support the legal conclusion of obviousness.” *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006). As discussed above, Ibarra discusses a method for quantifying job performance characteristics that is used, for example, during a monthly job performance evaluation. Abstract. The job performance characteristics used by Ibarra are characteristics such as technical knowledge, administrative, leadership skills, and problem solving. *Id.*, figure 6 and corresponding description. A supervisor rates the individual in each category using **subjective** determinations such as minimum acceptable,

expected, and outstanding. *Id.*, col. 5, ll. 4-12. These **subjective** determinations of Ibarra teach away from using **objective** measurements of time between predetermined events in order to rate an entity according to the present invention(s). Thus, a person of ordinary skill in the art would not look to Ibarra for guidance because Ibarra does not even suggest using objective data as an input, let alone measuring the elapsed time between two different predetermined events.

Regarding the several six sigma articles cited by the Examiner, the Applicants respectfully assert that the Examiner's arguments are not applicable. The Examiner has repeatedly stated that Six Sigma is a methodology that is focused on **improving quality** that would have suggested to a person of ordinary skill in the art to generate a measure of performance as recited in the respective independent claims. To be clear, none of the six sigma articles cited by the Examiner even remotely suggest that Six Sigma may be applied to a **post-trade** process for settling or managing the trade process nor suggest how six sigma should be applied. The Examiner, however, argues that Six Sigma would **suggest** to a person of ordinary skill in the art to modify the cited references to arrive at the recited claims. As discussed above, none of the cited references discuss determining a **measure of performance based on time of completion information** or tracking **post-trade communications**.

The Examiner also rejects claims 1-8 and 10-14 under 35 U.S.C. § 103(a) over the combination of Hawkins and Intl. Pub. WO 99/56192 (Gatto). Notwithstanding the deficiencies of Hawkins discussed above, the combination of Hawkins with Gatto still does not teach, disclose, suggest, or make obvious generating a **measure of performance** based on time of completion of **post-trade communications** as recited in the respective claims. The rejection states that that "Gatto allows for the user of the system to make up any element they wish to monitor...." 2007 Office Action, p. 10. Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention **where there is some teaching, suggestion, or motivation to do so**. M.P.E.P. § 2143.01 (emphasis added). As stated by the Court of Appeals for the Federal Circuit, "there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *Kahn*, 441, F.3d at 988. Thus, even if Gatto does "allow for the user of the system to make up any element they wish to monitor" there must be at least some suggestion to "make up" the elements recited in the respective independent claims of the present application. While it may be possible that Gatto teaches "making up" elements in order to measure the accuracy of the analysts'

recommendations, Gatto certainly does not suggest “making up” elements used to generate a measure of performance as recited in each of the independent claims.

For at least the reasons stated above, dependent claims 2-4, 6-8, and 11-14 are patentable over the cited references.

Furthermore, Applicants further object to the Examiner’s use of the Six Sigma reference that was obtained from Answers.com for at least the reasons stated on page 13 of Applicants’ Office Action response filed on January 30, 2007.

Based on the foregoing, this application is believed to be in allowable condition, and a notice to that effect is respectfully requested.

Respectfully submitted,

/Kyle Turley/

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